

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:3840

ANSWERED ON:13.12.2001

IMPORT OF DEFENCE EQUIPMENT

GANGASANDRA SIDDAPPA BASAVARAJ;IQBAL AHMED SARADGI;Y.S. VIVEKANANDA REDDY

Will the Minister of DEFENCE be pleased to state:

- (a) whether the CII has made various suggestions to reduce the dependence on import of strategic defence equipments;
- (b) if so, the details thereof;
- (c) whether the Government has considered those suggestions; and if so, the steps being taken in this regard?

Answer

MINISTER OF DEFENCE (SHRI GEORGE FERNANDES)

(a) & (b): The Confederation of Indian Industry (CII) has been interacting with the Government on various defence procurement related policy matters including the participation of private industry in the manufacture of defence equipment. It has not specifically spoken of reducing dependence on import of strategic defence equipment but has stated that Industry be permitted to partake in the government's objective to achieve 70% self-reliance in defence by 2005. It has, however, made certain suggestions regarding licensing mechanism and procedures for Foreign Direct Investment (FDI) proposals, preference to local industry, permission for joint ventures/technical tie-up between Indian industry with foreign investor, level playing field vis-à-vis the public sector undertaking and the foreign equipment suppliers, involvement of private industry in the perspective plans for equipment procurement by Armed Forces, providing information to the industry about technological requirement of the Armed Forces and R&D support to private industry.

(c) & (d): Government have taken into consideration all the suggestions in the process of formulating the guidelines on licensed production of defence equipment by the private sector.